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September 19, 2012

Office of the Louisiana Legislative Auditor  
 1600 North Third Street  
 P.O. Box 94397  
 Baton Rouge, LA 70804-9397

Attached are reissued audit reports for the St. Bernard Parish Sheriff's restated financial statements for the years ended June 30, 2007, 2008 and 2009. The Sheriff's financial statements were restated to remove Federal Emergency Management Agency (FEMA) grant revenue that will not be received as a result of arbitration with FEMA. The U.S. Department of Homeland Security's Office of Response and Recovery requested that the Sheriff provide restated financial statements in connection with its application for cancellation of its Community Disaster Loan.

Please do not hesitate to contact us if further information is required

Very truly yours,

DUPLANTIER, HRAPMANN, HOGAN & MAHER, LLP

William G. Stamm, CPA  
 Partner

WGS/ct

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date OCT 17 2012

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REISSUE

REPORT

ST. BERNARD PARISH SHERIFF

CHALMETTE, LOUISIANA

JUNE 30, 2008

**ST. BERNARD PARISH SHERIFF**

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## INDEPENDENT AUDITOR'S REPORT

September 19, 2012

Honorable James Pohlmann  
St. Bernard Parish Sheriff  
Chalmette, Louisiana 70043

We have audited the accompanying financial statements of the governmental activities of the St. Bernard Parish Sheriff as of and for the year ended June 30, 2008, as listed in the index to the report. These financial statements are the responsibility of the Sheriff's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the St. Bernard Parish Sheriff as of June 30, 2008, and the respective changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 19, the St. Bernard Parish Sheriff has restated and reissued its financial statements as of and for the year ended June 30, 2008 due to arbitration with the Federal Emergency Management Agency (FEMA) that resulted in FEMA revenue accrued in the year ended June 30, 2007 that will not be received. In our original report we expressed an unqualified opinion on the Sheriff's financial statements as of and for the year ended June 30, 2008, and our opinion on the revised financial statements, as expressed herein, remains unqualified.

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The Management's Discussion and Analysis and the budgetary comparison on pages 3 through 10 and 37 are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements of the St. Bernard Sheriff's Office. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The other supplementary information contained on pages 38 through 44 is presented for purposes of additional analysis and is not a required part of the basic financial statements of St. Bernard Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated September 19, 2012 on our consideration of the St. Bernard Parish Sheriff's internal control over financial reporting and our tests of its compliance with laws and regulations. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

*Duplantier, Hrapmann, Hogan & Maher, LLP*

**ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008  
(Unaudited)**

Within this section of the St Bernard Parish Sheriff (the Sheriff) annual financial report, the Sheriff's management is pleased to provide this narrative discussion and analysis of the financial activities of the Sheriff for the fiscal year ended June 30, 2008. The Sheriff's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

On August 29, 2005, Hurricane Katrina passed through St Bernard Parish and Hurricane Rita followed several weeks later causing significant wind and flood damage to the parish. All equipment and offices utilized by the Sheriff were destroyed. These financial statements include the continued impact of the storms on the fiscal year ended June 30, 2008.

The Sheriff's management has utilized insurance, as well as federal and state programs, to continue to provide services for the parish. Sales tax and ad valorem tax revenue for the fiscal year ending June 30, 2008 was \$1.8 million less than pre-Katrina due to the loss of businesses and the devastation of property and reassessments of property values. The ultimate financial impact of this disaster on future years has not been fully determined.

#### **FINANCIAL HIGHLIGHTS**

As of June 30, 2008, the Sheriff's assets exceeded its liabilities by \$15,571,090 (net assets).

Total net assets are comprised of the following:

- 1 Capital assets, net of related debt, of \$9,380,935 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase of capital assets.
- 2 Unrestricted net assets of \$6,190,155 represent the portion available to maintain the Sheriff's continuing obligations to citizens and creditors.

The Sheriff's governmental funds reported total ending fund balance of \$15,697,227. This compares to the prior year ending fund balance of \$16,900,031 showing a decrease of \$1,202,804 during the current year.

At the end of the current fiscal year, unreserved fund balance for the General Fund was \$15,697,227 or 53% of total General Fund expenditures and 55% of total General Fund revenues including transfers.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008  
(Unaudited)

## OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the Sheriff's basic financial statements. The basic financial statements include (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The Sheriff also includes in this report additional information to supplement the basic financial statements.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Sheriff's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Sheriff's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Assets. This is the government-wide statement of position presenting information that includes all of the Sheriff's assets and liabilities, with the difference reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Sheriff as a whole is improving or deteriorating. Evaluation of the overall health of the Sheriff's would extend to other nonfinancial factors such as diversification of the taxpayer base, in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the Sheriff's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statements of activities is to show the financial reliance of the Sheriff's distinct activities or functions on revenue provided by the Sheriff's taxpayers.

The government-wide financial statements present governmental activities of the Sheriff that are principally supported by property and sales taxes. The sole purpose of these governmental activities is public safety.

The government-wide financial statements are presented on pages 11 and 12 of this report.

## FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Sheriff uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Sheriff's most significant funds rather than the Sheriff as a whole.

The various funds of the Sheriff are classified into three categories: governmental (general fund), proprietary (internal service funds) and fiduciary (agency funds).



ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008  
(Unaudited)

#### FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in the fund financial statements and encompass the same function reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the Sheriff's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. The governmental fund financial statements are presented on pages 13-16 of this report.

Proprietary (internal service) funds are included in the government-wide financial statements and the fund financial statements and report on the medical claims funded by the Sheriff's General Fund and contributions from the employees and auto potential claims funded by the Sheriff's General Fund. The proprietary fund financial statements are presented on pages 17-19 of this report.

Fiduciary funds are reported in the fund financial statements and report taxes collected for other taxing bodies, deposits held pending court action and the individual prison inmate accounts. The fiduciary fund financial statement is presented on page 20 of this report.

#### NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 21 of this report.

#### OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Sheriff's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the governmental fund. This statement demonstrates compliance with the Sheriff's adopted and final revised budget. Required supplementary information can be found beginning on page 37 of this report.

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008  
(Unaudited)

### FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE

The Sheriff's net assets at fiscal year-end are \$15,571,090. The following table provides a summary of the Sheriff's net assets:

#### Summary of Net Assets

	2008 Governmental <u>Activities</u>	Percentage <u>Total</u>	2007 Governmental <u>Activities</u>	Percentage <u>Total</u>
<b>Assets</b>				
Current assets and other assets	\$ 21,777,114	70%	\$ 29,037,111	73%
Capital assets, net	<u>9,380,935</u>	<u>30</u>	<u>10,486,545</u>	<u>27</u>
Total	<u>31,158,049</u>	<u>100%</u>	<u>39,523,656</u>	<u>100%</u>
<b>Liabilities</b>				
Current liabilities	6,505,959	42%	12,311,506	58%
Long-term liabilities	<u>9,081,000</u>	<u>58</u>	<u>9,081,000</u>	<u>42</u>
Total liabilities	<u>15,586,959</u>	<u>100%</u>	<u>21,392,506</u>	<u>100%</u>
<b>Net Assets</b>				
Investment in capital assets, net of debt	9,380,935	60%	10,486,545	58%
Unrestricted	<u>6,190,155</u>	<u>40</u>	<u>7,644,605</u>	<u>42</u>
Total	<u>\$ 15,571,090</u>	<u>100%</u>	<u>\$ 18,131,150</u>	<u>100%</u>

The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 3.3 to 1.

The Sheriff reported a decrease in net assets for the governmental activities. Net assets decreased \$2,560,060 for governmental activities in fiscal 2008.

Note that 60% of the governmental activities' net assets are tied up in capital assets. The Sheriff uses these capital assets to provide services to its citizens.

The following table provides a summary of the Sheriff's changes in net assets:

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008  
(Unaudited)

FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE (Continued)

Summary of Changes in Net Assets

	2008 Governmental <u>Activities</u>	Percentage <u>Total</u>	2007 Governmental <u>Activities</u>	Percentage <u>Total</u>
Revenues				
Program				
Charges for services/fines	\$ 4,477,323	16%	\$ 4,157,318	12%
Operating grants	15,706,004	55	23,831,229	67
General				
Property taxes	3,572,834	13	3,171,370	9
Sales tax	3,142,102	11	3,019,270	8
Unrestricted state grants	925,300	3	789,578	2
Interest	304,463	1	366,120	1
Gain on sale of assets	9,582	--	--	--
Miscellaneous	<u>318,857</u>	<u>1</u>	<u>261,733</u>	<u>1</u>
Total revenues	<u>28,456,465</u>	<u>100%</u>	<u>35,596,618</u>	<u>100%</u>
Program expenses				
Public safety	30,761,627	99%	38,111,800	100%
Interest	<u>254,898</u>	<u>1</u>	<u>183,769</u>	<u>--</u>
Total expenses	<u>31,016,525</u>	<u>100%</u>	<u>38,295,569</u>	<u>100%</u>
Change in net assets	(2,560,060)		(2,698,951)	
Beginning net assets	<u>18,131,150</u>		<u>20,830,101</u>	
Ending net assets	<u>\$ 15,571,090</u>		<u>\$ 18,131,150</u>	

GOVERNMENTAL REVENUES

The Sheriff is heavily reliant on property and sales taxes to support its operations. Property and sales taxes provided 24% of the Sheriff's total revenues. The Sheriff has been able to earn \$304,463 in interest earnings to support governmental activities. Program revenues, including operating grants received, covered 71% of governmental operating expenses. The government's taxpayers and the Sheriff's other general revenues funded 29% of its operations. The large percentage of program revenues is due to federal public assistance grants to help the continued recovery from Hurricane Katrina.

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008  
(Unaudited)

## GOVERNMENTAL FUNCTIONAL EXPENSES

The total function of the Sheriff's office is public safety activities. Of the total costs, depreciation on the building improvements, vehicles, office furniture and equipment and law enforcement weapons and communication equipment was \$ 2,260,457 or 7% of total expenses.

## FINANCIAL ANALYSIS OF THE SHERIFF'S FUNDS

### Governmental funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$15,697,227. Of this year-end total, \$15,697,227 or 100% is unreserved indicating availability for continuing the Sheriff's activities.

The total ending fund balances of governmental funds show a decrease of \$1,202,804.

## MAJOR GOVERNMENTAL FUNDS

The General Fund is the Sheriff's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by \$1,202,804 from the prior year.

Operating expenditures were approximately \$29.7 million or 22% less than fiscal year 2007. Non-personnel operating costs decreased approximately \$8 million or 37% over the prior year. The reason for the decrease was related to the purchase of housing trailers, office trailers, vehicles and equipment in the prior year as a result of the destruction caused by Hurricane Katrina.

## BUDGETARY HIGHLIGHTS

### General Fund

The General Fund's original revenue budget for 2008 was less than the actual amounts reported in fiscal year 2007. The final revenue budget for 2008 was less than the actual amounts reported in fiscal year 2007 due to less public assistance grants received for Hurricane Katrina.

The original expenditure budget for 2008 reported a decrease from the actual 2007 amounts. The decrease in the budget related to the reductions in all expenditures, but primarily capital outlay and non-personnel operating costs.

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008  
(Unaudited)

**BUDGETARY HIGHLIGHTS (Continued)**

**General Fund (Continued)**

The final amended budget reported revenues increasing 3% over the original budget. Actual revenue was more than the amended budget by 38%. The expenditure amended budget increased 3% over the original budget. Actual expenditures exceeded the amended budget by 45%.

The overall net decrease in the actual excess of expenditures over revenues over the amended budget was \$1,202,804.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets**

The Sheriff's investment in capital assets, net of accumulated depreciation as of June 30, 2008, was \$9,380,935. The overall decrease was \$1,105,610 for the Sheriff as a whole. See Note 6 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity. The decrease was due to the continued depreciation of capital assets.

	<u>Capital Assets</u>	
	<u>Governmental Activities</u>	
	<u>2008</u>	<u>2007</u>
Depreciable assets		
Land & building improvements	\$ 8,134,602	\$ 8,114,002
Vehicle	4,174,059	3,610,204
Boats & equipment	208,946	152,453
Office furniture & equipment	1,025,523	831,949
Law enforcement weapons and communications equipment	<u>960,831</u>	<u>734,129</u>
Total depreciable assets	14,503,961	13,442,737
Less accumulated depreciation	<u>5,137,104</u>	<u>2,956,192</u>
Net book value – depreciable assets	<u>9,366,857</u>	<u>10,486,545</u>
Percentage depreciated	<u>35%</u>	<u>22%</u>
Construction in progress	<u>14,078</u>	<u>--</u>
Total Capital Assets	<u>\$ 9,380,935</u>	<u>\$ 10,486,545</u>

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2008  
(Unaudited)

**CAPITAL ASSETS AND DEBT ADMINISTRATION (Continued)**

**Capital assets (Continued)**

At June 30, 2008, the depreciable capital assets for governmental activities were 35% depreciated versus 22% in the prior year

The major additions to the various fixed asset accounts include:

Various vehicles, including 22 Crown Victorias, 2 radar trailers, 1 Triton boat, DELL laptops and other computer and office equipment

**Capital Leases Payable**

At the end of the fiscal year, the Sheriff had no capital leases outstanding related to vehicles

**Community Disaster Loan**

At the end of fiscal year, the Sheriff had a community disaster loan outstanding of \$9,081,000 and has accrued interest on the loan totaling \$486,366

**CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Sheriff's finances, comply with finance-related laws and regulations, and demonstrate the Sheriff's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact James Pohlmann, Sheriff, St. Bernard Parish Sheriff and Tax Collector, P.O. Box 168, Chalmette, LA 70044

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF NET ASSETS  
JUNE 30, 2008

	<u>GOVERNMENTAL ACTIVITIES</u>
<b>ASSETS.</b>	
Current assets:	
Cash	\$ 6,374,307
Due from other governmental units, (net of allowance for uncollectibles)	13,927,411
Due from other funds	1,383,824
Prepaid items	<u>91,572</u>
Total current assets	21,777,114
Noncurrent assets	
Capital assets, net	<u>9,380,935</u>
Total noncurrent assets	<u>9,380,935</u>
Total assets	<u>31,158,049</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts and other accrued payables	6,017,899
Due to other funds	1,694
Accrued interest on Community Disaster Loan	<u>486,366</u>
Total current liabilities	6,505,959
Noncurrent liabilities:	
Community Disaster Loan	<u>9,081,000</u>
Total noncurrent liabilities	<u>9,081,000</u>
Total liabilities	15,586,959
<b>NET ASSETS</b>	
Investment in capital assets, net of related debt	9,380,935
Unrestricted	<u>6,190,155</u>
Total net assets	<u>\$ 15,571,090</u>

The accompanying notes are an integral part of the basic financial statements

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008

Activities	Expenses	Program Revenues		Net (Expense) Revenues and Changes in <u>Net Assets</u> Governmental Activities
		Fees, Fines and Charges for Services	Operating Grants and Contributions	
Governmental activities:				
Public safety	\$ 30,761,627	\$ 4,477,323	\$ 15,706,004	\$ (10,578,300)
Interest on long-term debt	<u>254,898</u>	<u>-</u>	<u>-</u>	<u>(254,898)</u>
Total	<u>\$ 31,016,525</u>	<u>\$ 4,477,323</u>	<u>\$ 15,706,004</u>	<u>(10,833,198)</u>
General revenues				
Taxes-				
Sales and property taxes, levied for general purposes				6,714,936
Grants and contributions not restricted to specific programs - State sources				925,300
Interest earnings				304,463
Miscellaneous				318,857
Special item - gain on sale of assets				<u>9,582</u>
Total general revenues				<u>8,273,138</u>
Change in net assets				(2,560,060)
Net assets - July 1, 2007				<u>18,131,150</u>
Net assets - June 30, 2008				<u>\$ 15,571,090</u>

The accompanying notes are an integral part of the basic financial statements



ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
FUND FINANCIAL STATEMENTS  
BALANCE SHEET - GOVERNMENTAL FUND - GENERAL FUND  
JUNE 30, 2008

**GENERAL  
FUND**

**ASSETS**

Cash	\$ 6,232,262
Receivables	
Due from other governmental units (net of allowance for uncollectible accounts)	13,927,411
Due from other funds	1,383,824
Prepaid expenditures	<u>91,572</u>
 Total assets	 <u><u>\$ 21,635,069</u></u>

**LIABILITIES AND FUND BALANCES**

Liabilities	
Accounts, salaries and withholdings payable	\$ 5,936,148
Due to other funds	<u>1,694</u>
 Total liabilities	 <u>5,937,842</u>
Fund balances	
Unreserved, undesignated	<u>15,697,227</u>
 Total fund balances	 <u>15,697,227</u>
 Total liabilities and fund balances	 <u><u>\$ 21,635,069</u></u>

The accompanying notes are an integral part of the basic financial statements

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
FUND FINANCIAL STATEMENTS  
RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENTS OF NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2008

Total net assets reported for governmental activities in the statement of net assets is different because

Total fund balances for governmental funds at June 30, 2008 (Page 15) \$ 15,697,227

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land and building improvements, net of \$2,767,910 accumulated depreciation	\$ 5,366,692	
Vehicles, net of \$1,756,862 accumulated depreciation	2,417,197	
Equipment and furniture, net of \$345,637 accumulated depreciation	679,886	
Law enforcement weapons and communications equipment, net of \$214,503 accumulated depreciation	746,328	
Boats and equipment, net of \$52,192 accumulated depreciation	156,754	
Construction in progress	<u>14,078</u>	9,380,935

Internal service funds are used by management to charge the cost of insuring risk (i.e. self-insurance) to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets

60,294

General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is:

Community Disaster Loan	(9,081,000)	
Accrued interest payable on Community Disaster Loan	<u>(486,366)</u>	<u>(9,567,366)</u>

Total net assets of governmental activities at June 30, 2008 (Page 12) \$ 15,571,090

The accompanying notes are an integral part of the basic financial statements

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
FUND FINANCIAL STATEMENTS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2008

	GENERAL FUND
Revenues	
Ad valorem taxes	\$ 3,572,834
Sales taxes	3,142,102
Intergovernmental revenues.	
Federal grants and state grants	15,016,837
State revenue sharing	347,982
State supplemental pay	689,167
Video poker	577,318
Fees, charges and commissions for services	
Commissions on sales taxes, licenses, etc	2,066,993
Prisoner care and maintenance	1,251,307
Civil and criminal fees and court cost	623,184
Detail income	522,790
Law enforcement relief income	22,630
Interest income	304,463
Other	328,439
Total revenues	<u>28,466,046</u>
Expenditures	
Public safety.	
Personnel services and related benefits	12,980,244
Operating services	13,899,513
Material and supplies	1,478,165
Travel and other charges	35,261
Capital outlay	1,274,165
Miscellaneous	1,502
Total expenditures	<u>29,668,850</u>
Excess of expenditures over revenues	(1,202,804)
Fund balances, beginning	<u>16,900,031</u>
Fund balances, ending	<u>\$ 15,697,227</u>

The accompanying notes are an integral part of the basic financial statements

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
FUND FINANCIAL STATEMENTS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2008

The change in net assets reported for governmental activities in the statement of activities is different because.

Total net changes in fund balances at June 30, 2008 per Statement of Revenues, Expenditures and Changes in Fund Balances (page 15)	\$ (1,202,804)
--	----------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 1,274,166	
Depreciation expense for the year ended June 30, 2008	(2,260,457)	(986,291)

Governmental funds record all debt activity in statement of revenues, expenditures and changes in fund balances whereas some of the debt activity is recorded in the statement of net assets

Accrued interest payable on Community Disaster Loan	(254,898)	(254,898)
---	-----------	-----------

Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the statement of activities reports only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold

Cost of assets sold	(198,864)	
Accumulated depreciation on assets sold	79,545	(119,319)

Internal service funds are used by management to charge the costs of risk management activities (i.e. self insurance) to individual departments and funds. The net revenue of the individual service funds are reported with governmental activities

	3,252
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Total changes in net assets at June 30, 2008 per Statement of Activities (page 12)	\$ <u>(2,560,060)</u>
--	-----------------------

The accompanying notes are an integral part of the basic financial statements

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS  
JUNE 30, 2008

GOVERNMENTAL  
ACTIVITIES  
INTERNAL  
SERVICE

## ASSETS:

## Current assets.

Cash  
Total assets

\$ 142,045  
142,045

## LIABILITIES

## Current liabilities

Accounts and other accrued payables  
Total liabilities

81,751  
81,751

## NET ASSETS

Unrestricted

60,294

Total net assets

\$ 60,294

The accompanying notes are an integral part of the basic financial statements

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	GOVERNMENTAL <u>ACTIVITIES</u> INTERNAL <u>SERVICE</u>
Operating Revenues	
Charges for services	\$ <u>904,600</u>
Total operating revenues	<u>904,600</u>
Operating Expenses	
Public safety	
Personnel services and related benefits	<u>906,176</u>
Total operating expenses	<u>906,176</u>
Operating Loss	(1,576)
Non operating income	
Interest income	<u>4,828</u>
Change in Net Assets	3,252
Net Assets, beginning of year	<u>57,042</u>
Net Assets, end of year	\$ <u><u>60,294</u></u>

The accompanying notes are an integral part of the basic financial statements

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from user departments and participants	\$ 904,600
Cash paid for claims	<u>874,315</u>
Net cash provided by operating activities	30,285
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	<u>4,828</u>
Net increase in cash and cash equivalents	35,113
Cash and cash equivalents at beginning of the year	<u>106,932</u>
Cash and cash equivalents at end of the year	<u><u>\$ 142,045</u></u>
<b>Reconciliation of change in net assets to net cash provided by operating activities</b>	
Operating loss	\$ (1,576)
Increase in accounts payable	<u>31,861</u>
Net cash provided by operating activities	<u><u>\$ 30,285</u></u>

The accompanying notes are an integral part of the basic financial statements

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
FIDUCIARY FUNDS  
STATEMENT OF NET ASSETS  
JUNE 30 2008

ASSETS

	<u>AGENCY FUNDS</u>
Cash	\$ 7,898,485
Due from other funds	<u>1,694</u>
Total assets	<u>7,900,179</u>

LIABILITIES

Due to other funds	1,383,824
Due to taxing bodies, prisoners and others	<u>6,516,355</u>
Total liabilities	<u>7,900,179</u>
Net Assets	\$ <u><u>-</u></u>

The accompanying notes are an integral part of the basic financial statements



ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

## INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the St. Bernard Parish Sheriff (Sheriff) serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sporting licenses, and fines, costs, and bond forfeitures imposed by the district court.

The accounts of the tax collector are established to reflect the collections imposed by law, distributions pursuant to such law, and unsettled balances due various taxing bodies and others.

The accounting and reporting policies of the St. Bernard Parish Sheriff conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures conform to the requirements of the industry audit guide, *Audits of States and Local Governmental Units*.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### REPORTING ENTITY

For financial reporting purposes, the Sheriff includes all funds, account groups, activities, et cetera, that are controlled by the Sheriff as an independently elected parish official. As an independently elected parish official, the Sheriff is solely responsible for the operations of his office, which include the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipts and disbursement funds. Other than certain operating expenditures of the Sheriff's office that are paid or provided by the parish council as required by Louisiana law, the Sheriff is financially independent.

Accordingly, the Sheriff is a separate governmental reporting entity. Certain units of local government, over which the Sheriff exercises no oversight responsibility, such as the parish council, parish school board, other independently elected parish officials, and other government units within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the parish Sheriff.

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION

The accompanying basic financial statements of the St. Bernard Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, issued in June 1999.

Government-Wide Financial Statements (GWFS)

The Statements of Net Assets and the Statements of Activities display information about the Sheriff as a whole. These include all the financial activities of the Sheriff. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Funds accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into three categories: governmental, proprietary (internal service) and fiduciary. The emphasis on the fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental. The governmental fund of the Sheriff is considered to be a major fund. The following is a description of the funds utilized by the Sheriff:

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

BASIS OF PRESENTATION (Continued)

Governmental Funds

General Fund is the primary operating fund of the Sheriff and it accounts for all financial resources, except those required to be in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to Sheriff policy.

Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary funds principal ongoing operations.

Internal Service Funds (primarily self-insurance funds and automobile claims) are used by the Sheriff to account for financing of goods and services provided by one department to other departments of the Sheriff on a cost-reimbursement basis. Operating expenses of the internal service funds include the cost of claims and judgments and related administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses

Fiduciary Fund

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus but use the modified accrual basis of accounting.

MEASUREMENT FOCUS/BASIS OF ACCOUNTING

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of Sheriff operations.

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenue available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Those revenues susceptible to accrual are state revenue sharing, intergovernmental reimbursements, interest and grants. Ad valorem taxes, sales taxes, fines and commissions and costs collected and held by the Tax Collector Agency Fund on behalf of the Sheriff's General Fund are also accrued. Substantially all other revenues are recorded when received. The governmental fund uses the following practice in recording revenues and expenditures.

**Revenues**

Ad valorem taxes and the related state revenue sharing are recorded in the year taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January and February of the fiscal year.

Intergovernmental revenues, grants and fees, charges and commissions for service are recorded when the Sheriff is entitled to the funds or in the same period as the underlying expenditures.

Interest on interest-bearing deposits is recorded or accrued as revenue when earned. Substantially all other revenues are recorded when received.

**Expenditures**

The Sheriff's primary expenditures include salaries and insurance, which are recorded when the liability is incurred. Capital expenditures and purchases of various operating supplies are regarded as expenditures at the time purchased.

**Other Financing Sources (Uses)**

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) when the transfer is authorized by the Sheriff.

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

**Deferred Revenues**

Deferred revenues arise when resources are received by the Sheriff before it has a legal claim to them, as when grant monies are received before the incurrence of qualifying expenditures. In subsequent periods, when the Sheriff has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

BUDGETS

The Sheriff follows these procedures in establishing the budgetary data reflected in the financial statements

1. The chief administrative deputy prepares a proposed budget for the General Fund and submits it to the Sheriff for the fiscal year no later than fifteen days prior to the beginning of each fiscal year
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted
5. All budgetary appropriations lapse at the end of each fiscal year
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Sheriff. The net effect of the amendments was material in relation to the original appropriations due to the financial impact of Hurricanes Katrina and Rita

CASH AND INTEREST-BEARING DEPOSITS

Cash and interest-bearing deposits include amounts in demand deposits, interest bearing demand deposits and time deposits. They are stated at cost, which approximates market

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVESTMENTS

Under state law, the Sheriff may deposit funds with a fiscal agent organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The Sheriff may invest in United States bonds, treasury notes and bills, government-backed agency securities, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool (LAMP), a non-profit corporation formed by the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. See note 2 for the detail on investments and collateralization.

SHORT-TERM INTERFUND RECEIVABLE/PAYABLES

During the course of operations, transactions can occur between individual funds. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

PREPAID ITEMS

Insurance payments paid to insurance agencies that will benefit periods beyond June 30, 2008 are recorded as prepaid items.

CAPITAL ASSETS

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Electrical/Plumbing/Roofing	30
Office equipment and furniture	5 – 7
Vehicles	5
Improvements- carpet	7
HVAC Systems (Air Conditioning)	20

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

COMPENSATED ABSENCES

The Sheriff's office has the following policy relating to vacation and sick leave:

Employees earn vacation based on continuous service as follows

<u>Time in Service</u>	<u>Vacation Earned</u>
Up to 3 years	10 days per year
4 to 10 years	15 days per year
Over 10 years	20 days per year

Annual leave cannot be accumulated and must be used in the year earned

Sick leave is earned at a rate of one day per month of service and can be accumulated up to 90 days. Sick leave is lost upon termination. The cost of current leave privileges is recognized as current-year expenditure in the governmental fund when the leave is actually taken. At June 30, 2008, there are no accumulated and vested leave privileges to be accrued in accordance with government standards

RESTRICTED NET ASSETS

For government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either

- 1 externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, and
- 2 imposed by law through constitutional provisions or enabling legislation

FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2 CASH AND INTEREST BEARING DEPOSITS

Under state law, the Sheriff may deposit funds with a fiscal agent-bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Sheriff may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2008, the Sheriff has cash and interest-bearing deposits (book balances) totaling \$14,272,792 as follows:

	Government-wide Statement of <u>Net Assets</u>	Fiduciary Fund Statement of <u>Net Assets</u>	<u>Total</u>
Non-interest-bearing deposits	\$ 250	\$ --	\$ 250
Interest-bearing deposits	<u>6,374,057</u>	<u>7,898,485</u>	<u>14,272,542</u>
Total	<u>\$ 6,374,307</u>	<u>\$ 7,898,485</u>	<u>\$ 14,272,792</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank by a custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2008, are secured as follows:

Bank balances	<u>\$ 14,626,416</u>
Federal deposit insurance	\$ 100,000
Pledged securities	<u>14,526,416</u>
Total	<u>\$ 14,626,416</u>



ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

2 CASH AND INTEREST BEARING DEPOSITS (Continued)

Pledged securities includes uninsured or unregistered investments of which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Sheriff's name. Even though the pledged securities are considered uncollateralized Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Sheriff that the fiscal agent has failed to pay deposited funds upon demand.

3. CASH AND CASH EQUIVALENTS.

For purposes of the statement of cash flows, the Sheriff considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

4. AD VALOREM TAXES

The Sheriff is the ex-officio tax collector of the parish and is responsible for the collection and distribution of ad valorem property taxes. Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the parish government in June and are actually billed to taxpayers by the Sheriff in October. Billed taxes are due by December 31 becoming delinquent on January 1 of the following year. The taxes are based on assessed values determined by the Tax Assessor of St. Bernard Parish and are collected by the Sheriff. The taxes are remitted to the appropriate taxing bodies net of deductions for assessor's compensation and pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended June 30, 2008, law enforcement taxes applicable to the Sheriff's General Fund were levied at the rate of 15.68 mills on property with net assessed valuations totaling \$4,175,011.

Total law enforcement taxes levied during 2008 were \$3,608,707.

5 DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 2008 consist of the following.

St. Bernard Parish Government	\$ 114,349
State of Louisiana	608,659
U.S. Government	
Federal grants	13,134,746
Prisoner care	69,657
	<u>13,927,411</u>
Less allowance	--
TOTAL	<u>\$ 13,927,411</u>

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Balance</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2008</u>
Land and building improvements	\$ 8,114,002	\$ 20,600	\$ --	\$ 8,134,602
Vehicles	3,610,204	762,718	198,863	4,174,059
Boats and equipment	152,453	56,493	--	208,946
Office furniture and equipment	831,949	193,574	--	1,025,523
Construction in progress	--	14,078	--	14,078
Law enforcement weapons and comm equipment	<u>734,129</u>	<u>226,702</u>	<u>--</u>	<u>960,831</u>
Total	<u>13,442,737</u>	<u>1,274,165</u>	<u>198,863</u>	<u>14,518,039</u>
Less: accumulated depreciation				
Land and building improvements	1,614,172	1,153,738	--	2,767,910
Vehicles	1,065,055	771,352	79,545	1,756,862
Boats and equipment	26,378	25,814	--	52,192
Office furniture and equipment	164,071	181,566	--	345,637
Law enforcement weapons and comm equipment	<u>86,516</u>	<u>127,987</u>	<u>--</u>	<u>214,503</u>
Total	<u>2,956,192</u>	<u>2,260,457</u>	<u>79,545</u>	<u>5,137,104</u>
Net capital assets	<u>\$ 10,486,545</u>	<u>\$ (986,292)</u>	<u>\$ 119,318</u>	<u>\$ 9,380,935</u>

7. PENSION PLAN

*Plan description* Substantially all employees of the St Bernard Parish Sheriff's Office are members of the Louisiana Sheriffs' Pension and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees

ST BERNARD PARISH SHERIFF  
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7 PENSION PLAN (Continued)

All sheriffs and all deputies who are found to be physically fit, who earn at least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Members with twenty or more years of service may retire with a reduced retirement at age fifty. The plan provides for retirement eligibility with 30 years of service credit regardless of age. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 percent for each year if total service is at least 12 but less than 15 years, 2.75 percent for each year if total service is at least 15 but less than 20 years, and 3 percent for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25 percent for all service rendered on or after January 1, 1980). In any case, the retirement benefit cannot exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs' Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 219-0500.

*Funding Policy* Plan members are required by state statute to contribute 10% of their annual covered salary and the St. Bernard Parish Sheriff is required to contribute at an actuarially determined rate. The current year employer contribution rate is 11.0% of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds as required and available from insurance premium taxes. The contribution requirements of plan members and the St. Bernard Parish Sheriff are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The St. Bernard Parish Sheriff's contributions to the System for the years ending June 30, 2008, 2007, and 2006 were \$973,525, \$959,310, and \$1,209,897, respectively, equal to the required contributions for each year.

ST BERNARD PARISH SHERIFF  
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**8 DEFERRED COMPENSATION PENSION FUND**

All employees of the St Bernard Parish Sheriff are required by law to contribute to a pension fund. Those employees who are not Sheriffs or deputies and therefore not eligible to participate in the Louisiana Sheriffs' Pension and Relief Fund pension plan (see note 7), have the option of participating in the Louisiana Public Employees' Deferred Compensation Plan, or the Public Employees Benefit Services Corporation Deferred Compensation Program.

The Louisiana Public Employees' Deferred Compensation Plan (the "Plan") was adopted by the Louisiana Deferred Compensation Commission, effective September 15, 1982. The Plan was established in accordance with Louisiana Revised Statutes 42:1301 through 42:1308 and section 457 of the Internal Revenue Code of 1954, as amended, for the purpose of providing supplemental retirement income to employees and independent contractors by permitting such individuals to defer a portion of compensation to be invested and distributed in accordance with the terms of the Plan.

Effective September 14, 1987, the Plan was amended and restated in its entirety. The restated Plan superseded all plans and rules previously adopted in connection with the Louisiana Public Employees' Deferred Compensation Plan.

The plan document states that no fund or other account shall be established to provide benefits under the terms of the Plan. Effective January 1, 2000, the Plan was amended whereby all compensation deferred under the Plan, all property and rights purchased with such amounts and all income attributed to such amounts, property or rights shall be held for the exclusive benefit of participants and their beneficiaries. The maximum amount of compensation, which may be deferred during a calendar year, is limited by the Internal Revenue Code. The amount of the compensation deferred is reduced by compensation excludible from a participant's gross income under Internal Revenue Code Section 403(b), if any, which is attributable to contributions made by the employer.

The following is a summary of the payrolls covered and contributions made to the plan during fiscal year ended June 30, 2008.

Total covered payroll		<u>\$ 90,417</u>
	<u>6/30/08</u>	
	<u>Percent</u>	<u>Amount</u>
Contributions		
Employer	5.5%	\$ 4,941
Employee	<u>7.5%</u>	<u>6,781</u>
Total	<u>13.0%</u>	<u>\$ 11,722</u>

The Public Employees Benefit Services Corporation Deferred Compensation Program (the Program) was adopted effective March 1, 1996. The Program was established in accordance with section 457 of the Internal Revenue Code of 1954, as amended, for the purpose of providing supplemental retirement income to employees by permitting such individuals to defer a portion of compensation to be invested and distributed in accordance with the terms of the Program.

ST. BERNARD PARISH SHERIFF  
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JUNE 30, 2008

8. DEFERRED COMPENSATION PENSION FUND (Continued)

Effective September 25, 1998, the Plan was amended whereby all assets and income are held in a trust custodial account for the exclusive benefit of the participants and their beneficiaries.

The maximum amount of compensation, which may be deferred during a calendar year, is limited by the Internal Revenue Code

The following is a summary of the deferrals made to the Program during the fiscal year ended June 30, 2008.

Total covered payroll		<u>\$ 316,011</u>
	<u>6/30/08</u>	
	<u>Percent</u>	<u>Amount</u>
Contributions		
Employer	7.5%	\$ 23,701
Employee	<u>20.3%</u>	<u>64,147</u>
Total	<u>27.8%</u>	<u>\$ 87,848</u>

Additional information relating to benefits payable under the Plans is provided in the Plan documents.

9. CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances due to taxing bodies and others follows.

	<u>Tax</u> <u>Collector Fund</u>	<u>Civil Fund</u>	<u>Cash</u> <u>Bond Fund</u>	<u>Inmate</u> <u>Deposit Fund</u>
Balances, June 30, 2007	\$ 5,769,841	\$ 210,538	\$ 634,516	\$ 42,249
Additions	60,237,414	385,623	130,245	192,350
Reductions	<u>59,063,415</u>	<u>379,358</u>	<u>72,000</u>	<u>187,824</u>
Balances, June 30, 2008	<u>\$ 6,943,840</u>	<u>\$ 216,803</u>	<u>\$ 692,761</u>	<u>\$ 46,775</u>

10. TAXES PAID UNDER PROTEST

The unsettled balances due to taxing bodies and others in the agency funds at June 30, 2008, include \$1,575,525 of taxes paid under protest plus interest earned to date on the investment of these funds. These funds are held pending resolution of the protest and are accounted for in the Tax Collector Agency Fund.

11. LITIGATION AND CLAIMS

At June 30, 2008, the St. Bernard Parish Sheriff was a defendant in several lawsuits seeking damages. In cases where judgments have been reached, Louisiana courts have ruled that plaintiffs cannot seize the assets of the Sheriff. Accordingly, no provisions for any liability that may result is made in the financial statements until the funds are appropriated by the Sheriff.

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JUNE 30, 2008

12. EXPENDITURES OF THE SHERIFF'S OFFICE PAID BY THE PARISH COUNCIL

Prior to Hurricane Katrina, the Sheriff's office was located in the parish courthouse. The cost of maintaining and operating the parish courthouse, as required by statute, is paid by the St. Bernard Parish Council. These expenditures are not included in the accompanying financial statements.

13. RISK MANAGEMENT

The Sheriff is exposed to risks of loss in the areas of auto liability, professional law enforcement liability, and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. The Sheriff has obtained approval to dispense with the re-insurance policy requirements in the self-insurance workers' compensation program.

14. DUE TO/FROM OTHER FUNDS

Due to/from other funds consisted of amounts due to/from other funds for interfund transactions. They consisted of the following at June 30, 2008:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 1,383,824	\$ 1,694
Agency Fund:		
Tax Collector Fund	<u>1,694</u>	<u>1,383,824</u>
	<u>\$ 1,385,518</u>	<u>\$ 1,385,518</u>

15. LEASES

The Sheriff has entered into various operating leases for office equipment and land on which operations are located. The minimum lease payments due under the lease are as follows:

Fiscal year	2009	\$ 177,219
	2010	177,219
	2011	145,719
	2012	74,628
	2013	12,000
	Thereafter	<u>296,000</u>
		<u>\$ 882,785</u>

Total rent expense incurred during the fiscal year ended June 30, 2008 was \$135,048.

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
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JUNE 30, 2008

16. COMMUNITY DISASTER LOAN

As a result of the damages caused by Hurricane Katrina, the Sheriff applied for and was approved for a Community Disaster Loan through the Department of Homeland Security. The purpose of the loan is to carry on existing essential local government functions or to expand such functions to meet disaster-related needs. The term of the loan is five years and can be extended to ten years. The interest is the rate for five-year maturities as determined by the Secretary of the Treasurer on the date the promissory note is expected, which is 2.68%. The loan balance at June 30, 2008 was \$9,081,000. The interest payable associated with the loan at June 30, 2008 was \$486,366.

17. FEDERAL ASSISTANCE

The Sheriff participates in certain federal financial assistance programs. The programs have been audited in accordance with the Revised Single Audit Act of 2008 and OMB Circular A-133. Audits of prior years have not resulted in any disallowance of costs, however, the grantor agency may provide for further examinations. Based on past experience, the Sheriff believes that further examinations would not result in any material disallowed costs.

The Sheriff incurred various emergency expenses (primarily covering interim housing, overtime, vehicle usage and emergency supplies) related to Hurricane Katrina. In addition, all buildings and facilities owned by the Sheriff received significant storm damage. Most of these costs are eligible for reimbursement through the Federal Emergency Management Agency's (FEMA) Public Disaster Assistance Program. As of June 30, 2008, claims totaling \$16,029,787 have been filed with FEMA. At June 30, 2008, \$13,927,411 has been recorded as a receivable on the Balance Sheet. These amounts relate to project worksheets where the work has been completed and the total loss can be estimated. Many projects are still ongoing as of the date of this report. The total amount of claims may ultimately be more or less than the amount noted due to various uncertainties (scope of loss, construction costs, etc.).

18. NEW ACCOUNTING PRONOUNCEMENTS

In November 2004, the Governmental Accounting Standards Board (GASB) issued Statement 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This statement requires the accrual of postemployment benefits for retired employees. The Sheriff is required to implement this standard for fiscal year ending June 30, 2009. The Sheriff has not yet determined the full impact that adoption of GASB Statement 45 will have on the financial statements.

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008

19 RESTATEMENT AND REISSUANCE OF FINANCIAL STATEMENTS

Subsequent to the issuance of the Sheriff's June 20, 2008 financial statements and our report thereon dated December 4, 2008, the Sheriff went into arbitration with FEMA regarding a project related to Hurricane Katrina. The original project worksheet included \$4,137,582 of emergency expenses that were originally determined to be eligible to be reimbursed by FEMA. During the arbitration, it was ruled that a portion of these expenses were either ineligible or were reimbursed through another project worksheet. These expenses were incurred during the year ended June 30, 2007 and the matching FEMA revenue was accrued based on the original project worksheet allowance. As a result of the arbitration, FEMA awarded the Sheriff a payment of \$2,055,557, resulting in \$1,361,404 of accrued FEMA revenue that will not be received. The removal of the revenue in the reissued financial statements for the year ended June 30, 2007 has the effect of decreasing beginning net assets in the reissued financial statements for the year ended June 30, 2008 by \$1,361,404.

20 SUBSEQUENT EVENT

The Sheriff submitted an application for full cancellation of its Community Disaster Loan. Partial forgiveness was approved by the Department of Homeland Security during the year ended June 30, 2011. Loan balances of \$4,244,189 and accrued interest of \$583,864 were written off during the year ended June 30, 2011.



ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
SUPPLEMENTARY INFORMATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
YEAR ENDED JUNE 30, 2008

	<u>Budget</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Ad valorem	\$ 3,200,000	\$ 2,900,000	\$ 3,572,834	\$ 672,834
Sales taxes	3,000,000	3,500,000	3,142,102	(357,898)
Video poker	200,000	480,000	577,318	97,318
Intergovernmental revenues				
Operating federal, state and other grants	9,000,000	9,000,000	15,016,837	6,016,837
Other state grants				
State supplemental pay	440,000	680,000	689,167	9,167
State revenue sharing	330,000	347,000	347,982	982
Fees, charges and commissions for services				
Commissions				
Sales taxes, licenses, etc	1,700,000	1,753,000	2,066,993	313,993
Prisoner care and maintenance	1,000,000	850,000	1,251,307	401,307
Civil and criminal fees and court costs	300,000	350,000	623,184	273,184
Interest	80,000	200,000	304,463	104,463
Other	800,000	600,000	873,859	273,859
Total revenue	<u>20,050,000</u>	<u>20,660,000</u>	<u>28,466,046</u>	<u>7,806,046</u>
Expenditures				
Current				
Public safety				
Personal services and related benefits	10,000,000	10,600,000	12,980,244	(2,380,244)
Operating services	5,445,000	5,445,000	13,899,513	(8,454,513)
Materials and supplies	1,000,000	1,000,000	1,478,165	(478,165)
Travel and other charges	45,000	55,000	35,261	19,739
Debt services	100,000	100,000	-	100,000
Capital outlay	3,400,000	3,400,000	1,274,165	2,125,835
Miscellaneous	60,000	60,000	1,502	58,498
Total expenditures	<u>20,050,000</u>	<u>20,660,000</u>	<u>29,668,850</u>	<u>(9,008,850)</u>
Excess of expenditures over revenues	<u>-</u>	<u>-</u>	<u>(1,202,804)</u>	<u>(1,202,804)</u>
Other financing sources				
Capital leases	200,000	200,000	-	(200,000)
Total other financing sources	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Excess of revenues and other financing sources over expenditures	<u>200,000</u>	<u>200,000</u>	<u>(1,202,804)</u>	<u>(1,402,804)</u>
Fund balances, beginning	<u>3,822,143</u>	<u>3,822,143</u>	<u>16,900,031</u>	<u>13,077,888</u>
Fund balance, ending	<u>\$ 4,022,143</u>	<u>\$ 4,022,143</u>	<u>\$ 15,697,227</u>	<u>\$ 11,675,084</u>

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
SUPPLEMENTARY INFORMATION SCHEDULES  
YEAR ENDED JUNE 30, 2008

PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS

AUTO CLAIMS FUND

This fund provides coverage for property damage and personal injury cases caused by employees of the Sheriff. Limited coverage is provided through participation in the Louisiana Sheriff's Risk Management Program (a public entity risk pool). This program provides coverage on professional liability cases at the rate of \$100,000/claim \$500,000/aggregate. For amounts in excess of this coverage, the Sheriff is self-insured. For auto loss claims, the Sheriff is self-insured up to \$50,000 per accident. Excess liability coverage is in effect for all claims over \$50,000, but not exceeding \$2,000,000. All claims are accounted for in this fund.

MEDICAL CLAIMS FUND

This fund pays medical claims of the Sheriff's employees and their covered dependents. The Sheriff does have a re-insurance policy with a private carrier which provides "stop-loss" coverage. This program provides coverage on medical claims at the rate of \$60,000 per claim. Funding comes from the Sheriff's General Fund and from the charges for premiums collected from employees.

ST BERNARD PARISH SHERIFF  
 CHALMETTE, LOUISIANA  
 PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS  
 SUPPLEMENTARY INFORMATION  
 COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2008

	<u>Medical Claims</u>	<u>Auto Claims</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets			
Cash	\$ <u>100,407</u>	\$ <u>41,638</u>	\$ <u>142,045</u>
Total assets	<u>100,407</u>	<u>41,638</u>	<u>142,045</u>
<b>LIABILITIES:</b>			
Current liabilities			
Accounts and other accrued payables	<u>81,751</u>	<u>-</u>	<u>81,751</u>
Total liabilities	<u>81,751</u>	<u>-</u>	<u>81,751</u>
<b>NET ASSETS</b>			
Unrestricted	<u>18,656</u>	<u>41,638</u>	<u>60,294</u>
Total net assets	<u>\$ 18,656</u>	<u>\$ 41,638</u>	<u>\$ 60,294</u>

ST BERNARD PARISH SHERIFF  
 CHALMETTE, LOUISIANA  
 PROPRIETY FUNDS - INTERNAL SERVICE FUNDS  
 SUPPLEMENTARY INFORMATION  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
 IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Medical Claims</u>	<u>Auto Claims</u>	<u>Combined Total</u>
Operating Revenues			
Charges for services	\$ 904,600	\$ -	\$ 904,600
Total operating revenues	<u>904,600</u>	<u>-</u>	<u>904,600</u>
Operating Expenses			
Public safety			
Personnel services and related benefits	902,186	3,990	906,176
Total operating expenses	<u>902,186</u>	<u>3,990</u>	<u>906,176</u>
Operating income (loss)	2,414	(3,990)	(1,576)
Nonoperating income			
Interest income	<u>3,261</u>	<u>1,567</u>	<u>4,828</u>
Change in net assets	5,675	(2,423)	3,252
Net assets, beginning	<u>12,981</u>	<u>44,061</u>	<u>57,042</u>
Net assets, ending	<u>\$ 18,656</u>	<u>\$ 41,638</u>	<u>\$ 60,294</u>

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
PROPRIETARY FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	<u>Medical Claims</u>	<u>Auto Claims</u>	<u>Combined Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from user departments and participants	\$ 904,600	\$ -	\$ 904,600
Cash paid for claims	<u>870,325</u>	<u>3,990</u>	<u>874,315</u>
Net cash provided (used) by operating activities	34,275	(3,990)	30,285
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	<u>3,261</u>	<u>1,567</u>	<u>4,828</u>
Net increase (decrease) in cash and cash equivalents	37,536	(2,423)	35,113
Cash and cash equivalents at beginning of the year	<u>62,871</u>	<u>44,061</u>	<u>106,932</u>
Cash and cash equivalents at end of the year	<u>\$ 100,407</u>	<u>\$ 41,638</u>	<u>\$ 142,045</u>
Reconciliation of change in net assets to net cash provided by operating activities			
Operating income (loss)	2,414	(3,990)	(1,576)
Increase in accounts payable	<u>31,861</u>	<u>-</u>	<u>31,861</u>
Net cash provided (used) by operating activities	<u>\$ 34,275</u>	<u>\$ (3,990)</u>	<u>\$ 30,285</u>

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
SUPPLEMENTARY INFORMATION SCHEDULES  
YEAR ENDED JUNE 30, 2008

FIDUCIARY FUNDS - AGENCY FUNDS DESCRIPTIONS

TAX COLLECTOR FUND

Article V, Section 27 of the Louisiana Constitution of 1974 provides that the Sheriff will serve as the collector of state and parish taxes and fees. The Tax Collector Fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies

CIVIL FUND

To account for funds in connection with civil suits, Sheriff's sales and garnishments and payment of these collections to the Sheriff's General Fund and other recipients in accordance with applicable laws

CASH BOND FUND

To account for the collections of bonds, fines, and costs and payment of these collections to the recipients in accordance with applicable laws

INMATE DEPOSIT FUND

To account for the receipts and disbursements made to the individual prison inmate accounts

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
FIDUCIARY FUND TYPE - AGENCY FUNDS  
SUPPLEMENTARY INFORMATION  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30 2008

	<u>Tax Collector Fund</u>	<u>Civil Fund</u>	<u>Cash Bond Fund</u>	<u>Inmate Deposit Fund</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,942,146	\$ 216,803	\$ 692,761	\$ 46,775	\$ 7,898,485
Due from other funds	<u>1,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,694</u>
Total assets	<u>6,943,840</u>	<u>216,803</u>	<u>692,761</u>	<u>46,775</u>	<u>7,900,179</u>
<b>LIABILITIES</b>					
Due to other funds	1,383,824	-	-	-	1,383,824
Due to taxing bodies, prisoners and others	<u>5,560,016</u>	<u>216,803</u>	<u>692,761</u>	<u>46,775</u>	<u>6,516,355</u>
Total liabilities	<u>6,943,840</u>	<u>216,803</u>	<u>692,761</u>	<u>46,775</u>	<u>7,900,179</u>
Net Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
FIDUCIARY FUND TYPE - AGENCY FUNDS  
SUPPLEMENTARY INFORMATION  
COMBINING STATEMENT OF CHANGES IN DEPOSIT BALANCES  
DUE TO TAXING BODIES AND OTHERS  
YEAR ENDED JUNE 30, 2008

	<u>Tax Collector Fund</u>	<u>Civil Fund</u>	<u>Cash Bond Fund</u>	<u>Inmate Deposit Fund</u>	<u>Total</u>
<b>Additions:</b>					
Deposits					
Judicial sales and costs	\$ -	\$ 377,104	\$ -	\$ -	\$ 377,104
Bonds	-	-	106,700	-	106,700
Inmate deposits	-	-	-	190,919	190,919
Taxes, fees, etc , paid to tax collector	59,996,216	-	-	-	59,996,216
Interest	<u>241,198</u>	<u>8,519</u>	<u>23,545</u>	<u>1,431</u>	<u>274,693</u>
Total additions	<u>60,237,414</u>	<u>385,623</u>	<u>130,245</u>	<u>192,350</u>	<u>60,945,632</u>
<b>Reductions</b>					
Taxes, fees, deposits, etc , distributed to taxing bodies and others	58,880,008	379,358	72,000	-	59,331,366
Deposits settled to - Inmates	-	-	-	187,824	187,824
Other reductions					
Restitution and refunds	<u>183,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,407</u>
Total reductions	<u>59,063,415</u>	<u>379,358</u>	<u>72,000</u>	<u>187,824</u>	<u>59,702,597</u>
Net Change	1,173,999	6,265	58,245	4,526	1,243,035
Deposit balances due to taxing bodies and others					
Balances, beginning of year	<u>5,769,841</u>	<u>210,538</u>	<u>634,516</u>	<u>42,249</u>	<u>6,657,144</u>
<b>BALANCES, END OF YEAR</b>	<u>\$ 6,943,840</u>	<u>\$ 216,803</u>	<u>\$ 692,761</u>	<u>\$ 46,775</u>	<u>\$ 7,900,179</u>



ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2008

<u>Federal Grantor/ Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
<u>U S Department of Justice</u>		
Infrastructure Protection Program - Buffer Zone Grant	97.078	\$ 229,922
<u>U S Department of Homeland Security - Community Disaster Loan</u>	97 030	3,737,300
<u>Pass-through Louisiana Department of Military Affairs/FEMA Public Assistance Grant</u>	97 036	11,828,695
<u>Pass-through Louisiana Commission on Law Enforcement and Administration of Criminal Justice</u>		
Hurricane Criminal Justice Infrastructure Recovery	16 738	<u>2,913,353</u>
 TOTAL FEDERAL AWARDS		 \$ <u>18,709,270</u>

NOTE The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting

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DUPLANTIER, HRAPMANN,  
HOGAN & MAHER, L.L.P.

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JAMES MAHER, JR., C.P.A.  
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**REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON A FINANCIAL STATEMENT AUDIT PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

September 19, 2012

Honorable Jack A. Stephens  
St. Bernard Parish Sheriff  
Chalmette, Louisiana

We have audited the financial statements of the governmental activities of the St. Bernard Parish Sheriff (the Sheriff) as of and for the year ended June 30, 2008, and have issued our report thereon dated September 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

This report replaces our previously issued report dated December 4, 2008. As explained in Note 19, the St. Bernard Parish Sheriff has restated and reissued its financial statements as of and for the year ended June 30, 2008. This report contains no changes from our previously issued report.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered the St. Bernard Parish Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Sheriff's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Sheriff's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Sheriff's financial statements that is more than inconsequential will not be prevented or detected by the Sheriff's internal control. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 2008-01 and 2008-02 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Sheriff's internal control. The significant deficiencies described above are considered to be material weaknesses.

#### COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying summary schedule of current and prior year findings and management's correctional action plan as items 2008-03 and 2008-04.

This report is intended for the information of the management of the St. Bernard Parish Sheriff and office of the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Duplantier, Hrapmann, Hogan & Maher, LLP*

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REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

September 19, 2012

Honorable Jack A. Stephens  
St. Bernard Parish Sheriff  
Chalmette, Louisiana

COMPLIANCE

We have audited the compliance of the St. Bernard Parish Sheriff (the Sheriff) with the types of compliance requirements described in the *US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to its major federal award programs for the year ended June 30, 2008. The Sheriff's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with requirements of laws, regulations, contracts and grant agreements applicable to its major federal programs is the responsibility of the Sheriff's management. Our responsibility is to express an opinion on the sheriff's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Sheriff's compliance with those requirements.

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In our opinion, the St Bernard Parish Sheriff complied, in all material respects, with the requirements referred to on the previous page that are applicable to each of its major federal programs for the year ended June 30, 2008

#### INTERNAL CONTROL OVER COMPLIANCE

The management of the St Bernard Parish Sheriff is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Sheriff's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of St. Bernard Parish Sheriff's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies that adversely affects the Sheriff's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Sheriff's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the Sheriff's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily disclose all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report replaces our previously issued report dated December 4, 2008. As explained in Note 19, the St Bernard Parish Sheriff has restated and reissued its financial statements as of and for the year ended June 30, 2008. This report contains no changes from our previously issued report.

This report is intended for the information and use of the management of the St Bernard Parish Sheriff, the office of the Legislative Auditor for the State of Louisiana, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Duplantier, Krapmann, Hogan & Maher, LLP*

ST. BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
SUPPLEMENTARY INFORMATION  
SUMMARY SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT  
FINDINGS AND CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2008

**Section I Summary of Auditor's Results**

- 1 An unqualified opinion was issued on the financial statements of the St Bernard Sheriff for the year ended June 30, 2008
- 2 Internal Control  
  
Material weaknesses. 2008-01 and 2008-02  
Significant deficiencies 2008-01 and 2008-02
- 3 Compliance  
  
Two instances of noncompliance were noted that were not material to the financial statements See Current Year Audit Findings 2008-03 and 2008-04
- 4 No significant deficiencies were identified during the audit of the major federal award programs, which is also required to be reported by OMB Circular A-133
- 5 The St. Bernard Parish Sheriff's Office had three major programs. Federal expenditures of those programs were \$18,479,348. The major programs were  
  
U S Department of Homeland Security Disaster Grants – Public Assistance  
U S Department of Homeland Security Community Disaster Loan Program  
U.S. Department of Justice Criminal Justice Infrastructure Recovery
- 6 An unqualified opinion was issued on compliance for major programs of the St. Bernard Sheriff's Office for the year ended June 30, 2008
7. Type A programs are those programs with Federal Awards expended during the year ended June 30, 2008 exceeding \$300,000
- 8 The Sheriff did qualify as a low-risk auditee as that term is defined in OMB Circular A-133

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
SUPPLEMENTARY INFORMATION  
SUMMARY SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT  
FINDINGS AND CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2008

**Section II Findings which are required to be reported in accordance with generally accepted governmental auditing standards**

**Finding 2008-01. Financial Reporting Internal Controls**

**Condition and Criteria**

The Sheriff does not have controls in place for proper oversight of its financial reporting and for preparation of financial statements. As is common in small organizations, the Sheriff has chosen to engage the auditor to prepare the Sheriff's annual financial statements. This condition is intentional by management based upon the Sheriff's financial complexity, along with the cost effectiveness of acquiring the ability to prepare the financial statements in accordance with generally accepted accounting principles

**Effect**

The Sheriff does not prepare annual financial statements with required disclosures, including footnotes

**Cause**

Recently issued Statement of Auditing Standards (SAS) 112 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are mitigated with nonaudit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical

**Recommendation**

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 112. In this case, we do not believe that curing the significant deficiency described above would be cost effective or practical and accordingly, do not believe any corrective action is necessary

**Management's Corrective Action Plan**

In response to the finding, management feels that it is a prudent use of public funds to engage the auditor to prepare the Sheriff's annual financial reports. We, therefore, agree with the auditor's recommendation that no correction action is necessary

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
SUPPLEMENTARY INFORMATION  
SUMMARY SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT  
FINDINGS AND CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2008

Finding 2008-02: Year End Accrual Adjustments

Condition and Criteria

Currently, the general ledger is generated through accounting software, however, year end adjustments are required to generate Generally Accepted Accounting Principle (GAAP) financial statements. Management has chosen to engage the auditor to propose certain year end adjusting journal entries. This condition is intentional by management based upon the Sheriff's financial complexity, along with the cost effectiveness of taking the time required to prepare the required year-end adjusting journal entries.

Effect

Without these required journal entries the possibility exists that the financial statements could be misstated.

Cause

The Sheriff does not have adequate personnel to allow time for the accumulation of the information needed for the entries and has relied on the auditors to assist in identifying and making the adjustments needed.

Recommendation

As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 112's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 112. In this case, we do not believe that curing the significant deficiency described above would be cost effective or practical and accordingly, do not believe any corrective action is necessary.

Management's Corrective Action Plan

In response to the finding, management feels that it is a prudent use of public funds to engage the auditor to prepare the Sheriff's annual financial reports. We, therefore, agree with the auditor's recommendation that no correction action is necessary.

Finding 2008-03 Compliance with Public Bid Law

Condition and Criteria

The Sheriff failed to comply with the Public Bid Law by not publishing notice of an emergency demolition in the official journal.



ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
SUPPLEMENTARY INFORMATION  
SUMMARY SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT  
FINDINGS AND CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2008

Finding 2008-03 Compliance with Public Bid Law

Effect

The emergency demolition was not published as required by Louisiana law

Cause

Due to oversight, the Sheriff incorrectly followed the Public Bid Law. A public emergency occurred, allowing the Sheriff an exception to the bid law, however, the emergency was not publicly advertised in a timely manner.

Recommendation

We recommend that the Sheriff consistently follow the procedures required by the Public Bid Law, and publish necessary emergency notices when applicable in the official public journal

Management's Corrective Action Plan

The Sheriff has drawn up a letter stating the emergency. Notice will also be given to the public for all future emergency exceptions to the bid law.

Finding 2008-04 Amended Budget

Condition and Criteria

The Sheriff did not submit a revised amended budget. A revised amended budget is required to reflect a change in operations when actual expenditures exceed budgeted expenditures by more than 5%.

Effect

A revised amended budget has not been submitted as required.

Cause

The excess expenditures were primarily due to the massive devastation caused by Hurricane Katrina and the large amounts of grant funds received, thereby making it difficult to estimate the impact in the budget.

Recommendation

No recommendation is necessary because the major difficulties apply to the current fiscal year. This issue should not be a problem for future periods.

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
SUPPLEMENTARY INFORMATION  
SUMMARY SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT  
FINDINGS AND CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 2008

Finding 2008-04: Amended Budget (Continued)

Management's Corrective Action Plan

The Sheriff will have most of the storm-related transactions already recorded and will have financial information completed in a more timely manner

Section III: Finding and Questioned Costs for Federal Awards

No Findings.

Prior Year Findings

Prior year Finding 2007-01 Amended Budget

Condition and Criteria

The Sheriff did not submit a revised amended budget. A revised amended budget is required to reflect a change in operations when actual expenditures exceed budgeted expenditures by more than 5%

Effect

A revised amended budget has not been submitted as required

Cause

The excess expenditures were primarily due to the massive devastation caused by Hurricane Katrina and the large amounts of grant funds received, thereby making it difficult to estimate the impact in the budget

Recommendation

No recommendation is necessary because the major difficulties apply to the current fiscal year ended June 30, 2007 This issue should not be a problem for future periods

Management's Corrective Action Plan

The Sheriff will have most of the storm-related transactions already recorded and will have financial information completed in a more timely manner

ST BERNARD PARISH SHERIFF  
CHALMETTE, LOUISIANA  
SUPPLEMENTARY INFORMATION  
SUMMARY SCHEDULE OF CURRENT AND PRIOR YEAR AUDIT  
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FOR THE YEAR ENDED JUNE 30, 2008

Prior Year Findings (Continued)

Prior year Finding 2007-01 Amended Budget

Status

This is also a finding for the fiscal year ended June 30, 2008, as storm related costs related to Hurricane Katrina damages continued to be incurred

Prior year Finding 2007-02 Filing of Expenditure Report with St. Bernard Parish

Condition and Criteria

The Sheriff did not file the unaudited expenditure report for the year ended June 30, 2007 with the St. Bernard Parish Government by the time authorized

Effect

The expenditure report was not filed in a timely manner

Cause

Due to the massive devastation caused by Hurricane Katrina and the large amounts of expenditures made, the Sheriff had some difficulties ensuring all transactions were accounted for properly and more time was needed to ensure all transactions were recorded

Recommendation

No recommendation is necessary because the major difficulties apply to the fiscal year ended June 30, 2007. This issue should not be a problem for future periods

Management's Corrective Action Plan

The Sheriff will have most of the storm-related transactions already recorded and will have financial information completed in a more timely manner

Status

The expenditure report was filed in a timely manner in the current fiscal year ended June 30, 2008. The Sheriff is in compliance with this prior period finding